

## **Directions for Completing the Monthly Transfer Report**

Pursuant to N.J.S.A. 18A:22-8.1, all transfers from any general fund appropriation account that, on a cumulative basis, exceed 10 percent (this will be shown as a negative percentage in the report) of the amount included in the original budget certified for taxes require Commissioner approval.

N.J.A.C. 6A:23A-2.3(h) states that each district shall maintain a report of current month and year-to-date transfers between general fund appropriation accounts in a format prescribed by the Commissioner or in a format developed locally and approved by the county superintendent. The Monthly Transfer Report details the general fund appropriation accounts defined under N.J.A.C. 6A:23A-2.3(d) and should be used as the format prescribed by the Commissioner. This report is to be used by districts when submitting a transfer request for approval and with the submission requirements of the board secretary's and treasurer's financial reports under N.J.A.C. 6A:23-2.11.

### **Completing the Monthly Transfer Report**

There are two tabs in the file. The first tab entitled "S1701-Details of Transfers" is to be completed monthly to track transfers that have taken place and to determine if county office approval is needed for future transfers. The second tab entitled "S1701-Request for Approval" may be used to request county office approval for transfers.

#### **TAB 1 - DETAILS OF TRANSFERS WORKSHEET**

##### **Line, Budget Category and Account:**

The three columns of the worksheet entitled "Line", "Budget Category", and "Account", list the general fund appropriation account line item categories that require approval for transfers exceeding 10 percent (negative).

##### **Cols 1, 2 and 3:**

N.J.A.C. 6A:23A-2.3(e) defines original budget certified for taxes to include the roll forward of prior year encumbrances and any increases in appropriations from revenue sources allowable under N.J.A.C. 6A:23A-2.3(c).

For ease of use and review, column 1 should detail the original budget certified for taxes as approved by the county superintendent. This amount should not change from month-to-month. This column should only be completed with positive amounts.

Column 2 may include the roll forward of the prior year encumbrances and any increase in revenue permitted without commissioner approval. This column should only be completed with positive amounts.

Column 3 is the sum of columns 1 and 2 and equals the base amount used when calculating the 10 percent (negative) transfer requirement.

Col 4:

This column calculates the maximum net transfer amount (10 percent limit) permitted without approval.

Col 5:

Column 5 should equal the year-to-date (YTD) net transfers already incurred. Net transfers to an account must be entered as positive amounts. Net transfers from an account must be entered as negative amounts. The sum of column 5 should net to zero.

Col 6:

Column 6 calculates the 10 percent limit of YTD transfers already incurred. This column may be used as an aid during the county superintendent review and approval of transfer requests. Any line that has exceeded the 10 percent threshold (calculated as negative) will appear in bold red print. Note that this percentage could differ from the prior month's percentage (prior months column 6) if the district never recorded the prior months proposed transfers or if the district entered additional un-budgeted or under-budgeted revenues into column 2 of the worksheet or had cancelled all or part of a prior year encumbrance in the current month, both of which will change the base amount used in the calculation.

Note that any transfer to or from capital outlay (line 01030, noted in blue text in the worksheet) will require county superintendent approval pursuant to N.J.A.C. 6A:23A-2.3(e)2 and N.J.A.C. 6A:23A-2.3(g). Therefore any proposed transfer on this line will be shown in bold red print in this column. Also, pursuant to N.J.A.C. 6A:23A-2.3(f), any transfer to general administration, school administration, central services, administrative information technology and other support services (lines 00930, 00940, 00942, and 00970, as noted in red text) that on a cumulative basis exceed 10 percent (calculated as positive) of the original budget amount must meet requirements defined in that code section and must be approved by the county superintendent. Therefore, any percentage on these lines which calculate 10 percent or more (positive or negative) will appear in bold red print.

Col 7:

This column is amount of net transfers from an account still permitted without obtaining approval. Net proposed transfers from an account which will exceed this amount should be entered on the second tab, entitled "Request for Approval", along with the reason for the transfer. A negative amount means the district has already exceeded the limit. As noted above, any transfer from capital outlay requires approval.

Col 8:

This column is amount of net transfers to an administrative account still permitted without obtaining approval. Net proposed transfers to an account which will exceed this amount should be entered on the second tab, entitled "Request for Approval", along with the reason for the transfer. A negative amount means the district has already exceeded the limit. As noted above, any transfer to capital outlay requires approval.

## TAB 2 – REQUEST FOR APPROVAL OF TRANSFERS

If the district is seeking approval from the county superintendent for transfers then this worksheet may be used.

The district should complete the proposed transfer amounts for transfers from or to an account for which the district is requesting commissioner approval and the reason for the transfer in the spaces provided and then sign and date the form.

The heading at the top of the form provides space for entering the date the form was received by the county superintendent, and the date the approval is due. Pursuant to N.J.A.C. 6A:23A-2.3(e)1(ii), a transfer request will be deemed approved after 10 working days of receipt by the county superintendent if no approval or denial is provided within that time frame.

The county superintendent should complete the last column indicating with either a check mark or dollar amount of the approval, sign and date the form and forward to the district.